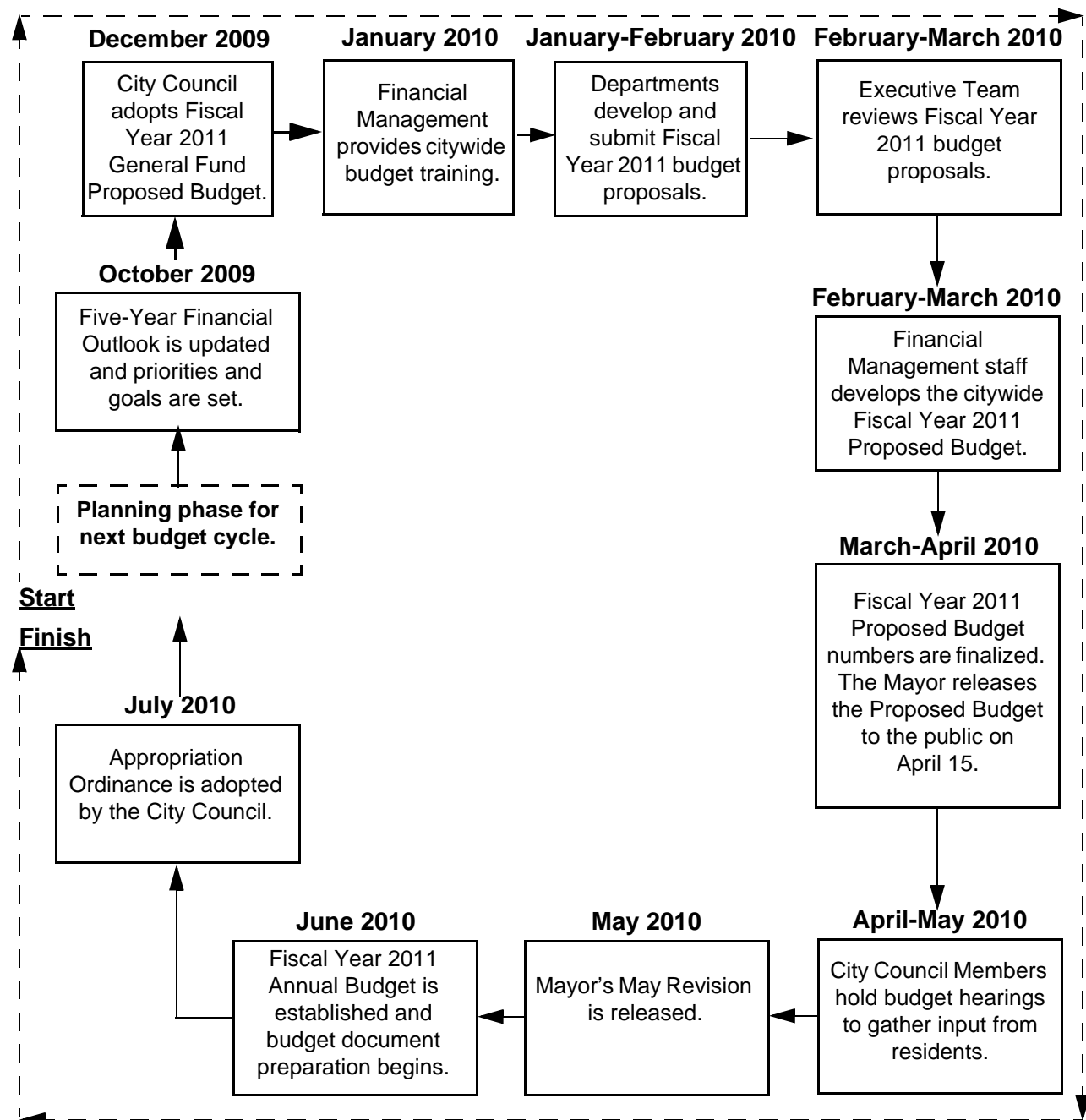


City Budget Process Overview

The City of San Diego's budget is created in conjunction with the Mayor, City Council, and City departments, with public input. The incremental budget process considers the fiscal and policy goals for the upcoming fiscal year, while following a timeline for budget publication codified within the City of San Diego's Charter. This section provides an overview of the annual workflow and the specific processes that contribute to producing the City's budget for Fiscal Year 2011. The chart below summarizes the process, and more detailed descriptions of key points are listed on the following pages.



City Budget Process Overview

The Budget Process consists of three main phases: Budget Development, Budget Review, and Annual Budget Adoption.

Budget Development

October 2009: Fiscal Planning

The Fiscal Year 2011 Budget Development Process began with the development of the Five-Year Financial Outlook (Outlook). The Outlook for Fiscal Years 2011 through 2015 served as the framework for the development of the Fiscal Year 2011 Proposed Budget by incorporating a variety of economic assumptions and newly mandated expenditure requirements into the budget document.

December 2009: General Fund Proposed Budget Adopted

On December 9, 2009, the City Council adopted the Fiscal Year 2011 General Fund Proposed Budget. This budget would be incorporated into the annual budget presented to City Council by April 15, 2010.

January 2010: Citywide Budget Development Training

A new budgeting system called Public Budgeting Formulation (PBF) was implemented for the development of the Fiscal Year 2011 budget. Budget development training on the new system and the current budget process was provided to all City departments. In these trainings, guidance and expectations were provided to department representatives so that they would be able to develop budget requests for their departments that fit within the goals and priorities established for the Fiscal Year 2011 Proposed Budget.

January-February 2010: Budget Submission

Departments developed and submitted their proposed budget requests based on the Outlook and other foreseeable needs for the coming fiscal year. In order to manage the variance between forecasted revenues and expenses, direction was given to General Fund departments to limit budget expenditure requests to those included in the Outlook and expenditure reductions only. Non-General Fund departments submitted budget requests which aligned with their needs for the coming fiscal year. Financial Management staff analyzed budget submissions and prepared a summary of changes and adjustment recommendations for Executive Team review.

February-March 2010: Executive Team Review

The Executive Team reviewed the departments' budget proposals and ensured that requests were aligned with the City's fiscal policies.

February-March 2010: Budget Development

Based on information provided by the Executive Team, Financial Management staff began the development of the Proposed Budget. During the development of the budget, General Fund revenues were balanced with expenditures and adjustments were made to keep the budget in line with the City's fiscal policies and priorities.

City Budget Process Overview

March-April 2010: Proposed Budget Finalized

In March, General Fund expenditures and revenues were balanced, any remaining changes to the non-general funds were made, and the Fiscal Year 2011 Proposed Budget numbers were finalized. The budget document was then created from the end of March to the beginning of April. The Mayor released the Fiscal Year 2011 Proposed Budget to the public on April 15, 2010 in compliance with the City of San Diego Charter [Article XV, Section 265, Item (b) (15)]. The Mayor presented the Proposed Budget to the City Council on April 15, 2010.

Budget Review

April-May 2010: City Council Budget Hearings

From the end of April through early May, the City Council will hold a series of public budget hearings to obtain input from San Diego residents on spending priorities. Council members will use the information received at these hearings to develop the districts' priorities and to recommend changes to the proposed budget. The Mayor will also solicit suggestions on budget efficiencies from the public and City employees to incorporate into the Mayor's Recommended Revision Report in May.

May 2010: Mayor's Recommended Revision Report

On May 14, 2010, the Mayor's May Revision to the Fiscal Year 2011 Proposed Budget is scheduled to be released. In this report, the Mayor will recommend changes to the budget based on up-to-date policy-related issues and revised Fiscal Year 2010 year-end expenditure and revenue projections. In May 2010, the Office of the Independent Budget Analyst (IBA) is anticipated to issue a report of budget recommendations to the City Council based on the Fiscal Year 2011 Proposed Budget and the Mayor's May Revision report.

Annual Budget Adoption

May-June 2010: Annual Budget

The Budget and Finance Committee will approve final modifications to the Fiscal Year 2011 Proposed Budget on May 26, 2010. The final modifications to the budget will be presented to the City Council on June 14, 2010. The Mayor's allowable veto period will begin on June 15 and end on June 22, 2010.

July 2010: Annual Budget Document

During the month of July, the final changes to the Fiscal Year 2011 budget will be implemented. Once these changes are made, preparation of the Fiscal Year 2011 Annual Budget will be completed. The Change Letter will be created to summarize the May Revision and Council Action changes to the Fiscal Year 2011 Proposed Budget by department.

City Budget Process Overview

July 2010: Appropriation Ordinance

On July 14, 2010, the Fiscal Year 2011 Appropriation Ordinance will be presented to the Budget and Finance Committee, and then to the City Council on July 19, 2010. The Appropriation Ordinance is anticipated to be adopted by the City Council on July 26, 2009, codifying the Fiscal Year 2011 Annual Budget into law.